



# Department of Justice

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## **FORMER ALCATEL CIT EXECUTIVE IS INDICTED FOR ALLEGED BRIBES TO COSTA RICAN OFFICIALS TO OBTAIN MOBILE TELEPHONE CONTRACT**

WASHINGTON – A federal grand jury in Miami has indicted a former Alcatel CIT executive on charges related to making corrupt payments to Costa Rican officials in order to obtain a mobile telephone contract from the state-owned telecommunications authority, in violation of the Foreign Corrupt Practices Act (FCPA), the Department of Justice announced today.

The 10-count indictment returned today charges Christian Sapsizian, 60, a French citizen, with conspiring to make over \$2.5 million in bribe payments to Costa Rican officials in order to obtain a telecommunications contract on behalf of Alcatel, making corrupt payments, and laundering the bribes through a consultant. Sapsizian was previously charged and arrested in Miami on a criminal complaint issued Dec. 1, 2006.

Until Nov. 30, 2006, Alcatel was a French telecommunications company, whose American Depositary Receipts were traded on the New York Stock Exchange. Sapsizian was employed by Alcatel or one of its subsidiaries for over 20 years. At the time of the conduct alleged in the indictment, he was the deputy vice president responsible for Latin America.

El Instituto Costarricense de Electricidad (ICE), the state-owned telecommunications authority in Costa Rica, was responsible for awarding all telecommunications contracts, including mobile telephone contracts. Prior to 2000, Alcatel had been unsuccessful in obtaining mobile telephone contracts in Costa Rica, repeatedly losing to a competitor which utilized a different technology than Alcatel. The indictment alleges that from February 2000 through September 2004, Sapsizian conspired with Alcatel's senior representative in Costa Rica to make payments to a member of ICE's Board of Directors, who was also an advisor to a more senior official in the Costa Rican government. The payments were intended to cause the ICE official to exercise his influence to initiate a bid process which favored Alcatel's technology and to vote to award Alcatel a mobile telephone contract. Sapsizian is charged with offering the ICE official 1.5 percent to 2 percent of the value of the contract in exchange for the ICE official's efforts in assisting Alcatel to obtain the contract. The indictment further alleges that Sapsizian was aware that the ICE official intended to share the corrupt payments with the senior government official.

Alcatel was in fact awarded a mobile telephone contract in August 2001, which was valued at \$149 million. According to the indictment, Sapsizian authorized one of Alcatel's Costa Rican consulting firms to funnel the payments to the ICE official. Sapsizian is charged with conspiring to launder money for allegedly causing Alcatel CIT to wire \$14 million in "commission" payments to the consultant. The consultant, in turn, wire transferred \$2.5 million to the ICE official. Thus, Sapsizian is charged with eight counts of violating the FCPA for allegedly causing those payments to the ICE official.

The conspiracy and FCPA charges each carry a maximum sentence of five years in prison. The money laundering charge carries a maximum sentence of 20 years in prison.

An indictment contains only allegations. A defendant is presumed innocent of the charges and it is the government's burden to prove a defendant's guilty beyond a reasonable doubt at trial.

This case is being prosecuted by Deputy Chief Mark F. Mendelsohn, and Trial Attorney Mary K. Dimke of the Fraud Section of the Criminal Division at the U.S. Department of Justice, Washington. The case is being investigated by the Federal Bureau of Investigation. Costa Rican Attorney General Francisco Dall'Anese and his office provided substantial assistance to this investigation.

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